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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 91-313-W - ORDER NO. 91-1078 ✓
DECEMBER 3, 1991

IN RE: Application of First Services)
Corporation of Rock Hill for) ORDER
Approval of the Abandonment of)
a Water Distribution System.)

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of First Services Corporation of Rock Hill (First or the Company) which seeks approval to abandon a water system providing service to Cranford Park Subdivision located in close proximity to and virtually surrounded by the City of Rock Hill, in York County, South Carolina. The Company's May 24, 1991, application was filed pursuant to S.C. Code Ann. §58-5-240 (1976), as amended and Regulation 103-821 of the Commission's Rules of Practice and Procedure.

By letter the Commission's Executive Director instructed First to publish a prepared Notice of Filing in newspapers of general circulation in the affected area one time. The purpose of the Notice of Filing was to inform interested parties of First's application and the manner and time in which to file their appropriate pleadings for participation in the proceeding. First complied with this instruction and provided the Commission with

proof of publication of the Notice of Filing. Petitions to Intervene were filed by the Consumer Advocate for the State of South Carolina (the Consumer Advocate) and Ms. Eva I. Seay (Seay).

A hearing was commenced on Tuesday, November 19, 1991 at 10:30 a.m. in the Commission's Hearing Room. The Honorable Marjorie Amos-Frazier presided. John F. Beach, Esquire, represented First; Carl F. McIntosh, Esquire, represented the Consumer Advocate; and F. David Butler, Staff Counsel, represented the Commission Staff. First presented the testimony of three witnesses J. Russell Allen, Assistant City Manager for the City of Rock Hill; George E. Beckham, Jr., Vice President of First Services Corporation of Rock Hill and David White, Esquire, an attorney who has represented First. The Intervenor, Eva I. Seay testified and five members of the public presented statements to the Commission. No witnesses were presented by the Consumer Advocate or the Commission Staff.

Company witness J. Russell Allen testified that he thought that the citizens of Cranford Park would be well served by being annexed into the City of Rock Hill. At the time of annexation, the citizens could interconnect with the City of Rock Hill water supply. Allen testified that the cost would amount to \$2.00 per front foot of lot, plus a tap fee of \$511.00 per residence for water. For sewer the amount would be \$12.00 per front foot, plus a \$534.00 tap fee. Allen testified that the front foot fee could be financed over a period of seven (7) years at a rate of 6% but that the tap fees would be expected to be paid prior to

interconnection.

George E. Beckham, Jr. testified that First Services Corporation was dissolved in February of 1990 and that it was not in a financial position to continue to offer water service to the Cranford Park area. Beckham stated that even if the Company were able to continue to provide such service, that it would be necessary for First Services Corporation to upgrade the existing facility at a cost of almost \$100,000, the cost of which would be passed on directly to Cranford Park residents. Beckham stated that the Company should be allowed to abandon the Cranford Park water system and that this was the only event that would prompt the consummation of a solution to the Cranford Park utility problems. David White, Esquire, testified that First Services Corporation and the Consumer Advocate had been working on various grant programs to attempt to pay for an upgrade of the water system in Cranford Park. White testified that middle to low income residents of the subdivision would be eligible to have all fees paid under the grant programs that were under study.

Eva I. Seay, the Intervenor, and five members of the public who were residents of Cranford Park testified that it was their position that First Services Corporation should not be allowed to abandon the water system. Ms. Seay stated that the system had been allowed to run down over a 17 year period, that the residents of the area were on fixed incomes and would have difficulty affording the tap fees required for interconnection with the City system, and that the residents in the area basically opposed

annexation into the City.

After due consideration of the evidence as a whole and the record in this case, the Commission believes that it is not in the best interest of the public to allow First Services Corporation of Rock Hill to abandon the Cranford Park Subdivision water system at this time. The Commission Staff should meet with representatives of First Services Corporation, the Consumer Advocate's office, and other interested parties to attempt to negotiate a resolution of this matter. The parties are instructed to report back to the Commission after the negotiations, but in no case later than sixty (60) days from the date of this Order. Meanwhile, it is the opinion of this Commission that First Services Corporation should provide adequate water service to the residents of Cranford Park in the interim.

IT IS THEREFORE ORDERED:

1. That the Application of First Services Corporation of Rock Hill for approval of the abandonment of a water distribution system in the Cranford Park Subdivision is held in abeyance at this time.

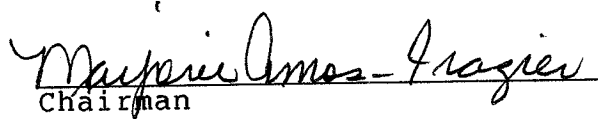
2. That the Commission Staff shall meet with representatives of First Services Corporation, the Consumer Advocate's office, and other interested parties to attempt to negotiate a resolution of this matter.

3. That the parties shall report back to the Commission after the negotiations, but in no case, later than sixty (60) days from the date of this Order.

4. That in the interim First Services Corporation shall provide adequate water service to the Cranford Park Subdivision.

5. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)